About Growth

A Quarterly Publication About Growth Management — Summer 1999

Washington State Community, Trade and Economic Development

Building Foundations for the Future

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GMA transforms Snohomish County capital facilities planning

By Michael Zelinski, Senior Planner, and **Dan Clements**, Finance Director, Snohomish County

The Growth Management Act (GMA) has transformed the capital facilities planning process in Snohomish County.

New standards created by the act have placed a much higher value on the capital facilities component of the comprehensive plan. Both the planning process and the final product have undergone continuing re-evaluation by Snohomish County since 1992 — and particularly since 1995 when the county's first GMA-based comprehensive plan was adopted.

The transformation of the capital facilities plan and the planning process is not yet complete; it will probably continue for the next several years.

Snohomish County began its pre-GMA planning for capital projects in the early 1980s when the county adopted a new charter changing the form of government from commissioner to council/executive. A six-year capital improvement program was prepared annually, with projects submitted by the operating departments and compiled by the finance department.

The planning division conducted a review and evaluation of projects from a comprehensive planning perspective before the plan was presented to the county planning commission. Despite limited efforts to establish over-all priority rankings, the pre-GMA capital improvement programs (CIPs) were essentially compilations of department wish lists.

Although public hearings were always conducted by the planning commission and the county council, public participation was typically sparse or non-existent.

When Snohomish County adopted its first GMA comprehensive plan in 1995, it included a capital facilities element that was: 1) a section in the general policy plan addressing capital facilities planning policy; and 2) a separate document entitled *1995-2000 Capital Plan.* This new plan component incorporated sections addressing GMA requirements, as well as the traditional six-year capital improvements projects lists and schedules. A major addition to the six-year program was the identification of real and feasible funding sources for all projects, making it much less of a wish list and much more of a true plan.

In setting out to meet new GMA requirements, Snohomish County embarked on a serious effort to create an inventory of its facilities and to develop reasonable measures for defining facility levels of service (LOS). This effort has been particularly well developed for transportation and park facilities and parkland — two of the primary land-use related types of capital facilities that the county provides. Surface water facilities just now are beginning to undergo the same intensive effort to define acceptable and achievable LOS measures and targets to guide facilities planning.

The connections between capital facilities and land use planning are still being made. The connections are most clearly evident for roads in the county's concurrency management and impact fee systems, which directly tie private

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ABOUT GROWTH

Published quarterly by the Washington State Community, Trade and Economic Development, Growth Management Program, 906 Columbia St. SW, Olympia, WA 98504-8300. The program administers the state's Growth Management Act. Its role under the GMA is to assist and enable local governments to design their own programs to fit local needs and opportunities.

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Saving money on infrastructure

By Shane Hope
Managing Director,
CTED Growth Management Program

Washington is a fast-growing state, with strong demand for more infrastructure to match the growth — and equally strong concerns about paying for it. While there are no easy answers to this dilemma, one thing is becoming clearer: choosing efficient land use patterns can help keep costs down.

A new report prepared for the Public Works Board indicates that local governments have projected $8.1 billion in costs for roads, bridges, water and sewer systems, and storm water facilities for the years 1998 through 2003. Without the planning that counties and cities have done under the GMA, this number could have been even higher. Here are some ways that our land use choices make a difference.

First, with growth management, communities develop plans to identify infrastructure needs — based on their land use choices — and match them up with a finance strategy. This is sometimes called the "truth-in-planning" step because it helps ensure that the true infrastructure costs are figured for the kind of development being planned and that local citizens know what to expect.

Second, using existing schools, streets, roads, and sewer pipes to serve new development is often cheaper than building new infrastructure somewhere else. Existing infrastructure is one of the first things that growth management communities are expected to consider when they decided about areas for new urban growth.

When existing infrastructure is not enough, choosing efficient land use patterns for growth still saves money. For example, a sprawling pattern could spread 100 homes out in a way that requires 10 miles of roads. But a compact land use pattern could cluster the homes so that only a fraction of those roads are needed. An added benefit is that with fewer roads, there is less need for another kind of infrastructure — storm water facilities — to capture the polluted run-off from extra miles of pavement. This also means less harm to the salmon and trout we need to protect under the Endangered Species Act.

In the past, governments sometimes used taxes for building roads and other infrastructure, without seeing whether more efficient land use practices could have reduced the need. Now, federal money for infrastructure is scarce. The responsibility for making choices and paying the bill has largely shifted to state and local governments.

To maximize their tight budgets, some governments give priority to projects that are based on smart land use patterns. States like Maryland are doing this by targeting most of their infrastructure investments into priority funding areas, where growth is expected to be compact.

Good growth management may not be the only thing we need in order to make smart choices about our infrastructure investments. But it is an important part of the equation.

New CTED publications available

Two CTED publications previously issued as drafts are now available:

- *Keeping the Rural Vision: Protecting Rural Character and Planning for Rural Development.*
- *Optional Comprehensive Plan Element for Natural Hazard Reduction.*

The working draft of a third publication, *Buildable Lands Program Guidelines*, also can be requested.

Call the Growth Management Program at 360-753-2222 to receive a copy of these publications.

Bellevue's capital facilities planning process

By Dan Stroh
Planning Director, City of Bellevue

A key premise of growth management is that public facilities are provided to keep up with increased demands from growth. Facility needs are to be forecast based on locally established standards, and clearly identified funding is to be in place to carry out needed improvements.

Before the GMA made this a mandate, Bellevue was one of the first cities in the state to adopt a multi-year capital investment program (CIP), in 1983. From the start, Bellevue's CIP has included dedicated funding sources that balance needed expenditures against available funding.

The current plan, covering the period 1999-2005, is integrally linked with the Capital Facilities Element in the comprehensive plan. It includes a schedule of facility improvements, including project design, land acquisition, construction costs, and the means of financing these costs. Projects are organized into discrete program areas: transportation; parks; general government; public safety; community and economic development; neighborhood enhancement; and water, sewer and stormwater utilities.

Most of the projects in the CIP come from long-range functional plans based on the city's land use vision and forecasts, and adopted by the city council. This includes a series of transportation facility plans, the parks and open space system plan, the municipal facilities plan, and fire master plan, and the functional plans for the water, sewer, and storm water systems. Additional projects come from needs identified by the public, city council, and staff.

With each update of the CIP, which now occurs on a biennial basis, departments identify needs and priorities beyond those projects already begun. Many more needs are typically identified than can be met by available funding. Each program area has a project prioritization and ranking process, which starts with projects needed to meet legal mandates and those that preserve existing infrastructure. Additional key priorities are taken from comprehensive plan direction, priorities from city council and city management, adopted performance standards, and public input. Projects that do not rank highly enough to "make the cut" may be reconsidered in the next CIP update.

Public input has always been important to Bellevue's CIP, and in recent years the city has searched out ways to become more effective in drawing citizens into this process. The last CIP and operating budget update utilized several innovative strategies to educate citizens and bring them into the process. In addition to conventional public hearings, the last update included a statistically representative survey of Bellevue residents, a series of formal focus group workshops, and special meetings with speakers of English-as-a-second language.

Bellevue's current CIP includes 174 projects with cost and resources totaling $282 million to be expended over the period 1999-2005. Of this total 41 percent is supported by unrestricted General CIP Revenue, primarily made up of local optional sales tax and business and occupation tax. This funding source is shared by non-utility program areas based on overall priorities. The real estate excise tax is the next largest source, at 18 percent followed by utility revenues, at 15 percent.

Additional sources include grants, intergovernmental, developer contributions, and contributions from other city funds (13 percent), a special transportation funding set-aside derived from a portion of the gross receipts business and occupation tax, a portion of the growth on unrestricted general fund revenues, vehicle license fees, and a portion of the motor vehicle fuel tax (8 percent). Finally transportation impact fees (3 percent) and the restricted motor vehicle fuel tax (2 percent) complete the funding picture.

PHOTO COURTESY OF THE CITY OF BELLEVUE

Bellevue's capital investment process has been effective in keeping infrastructure on pace with the city's growth and forging an effective link between land use and needed facility investments. Projects are prioritized and brought into the capital investment program plan based on actual identified funding sources. With enhanced levels of public outreach in recent years, the public has entered into this process in an increasingly informed manner.

Infrastructure study nears completion

By Pete Butkus
Executive Director, Public Works Board

The *1998 Local Government Infrastructure Study* is nearly complete. The study, conducted by a consultant team with Moss Adams LLP as the lead, is being prepared for the state Public Works Board.

The study estimates the need for local government-financed infrastructure statewide (bridges, roadways, domestic water, sanitary sewer, and storm water systems) for the six-year period 1998 through 2003 at $8.16 billion. See 1998-2003 Baseline Funding Need (below) for a breakdown of costs for each type of system.

This is the first complete study of capital facility planning done under the GMA. The study attempts to provide a framework for on-going local government infrastructure assessments.

While the report is being finalized as *About Growth* goes to press, the consultant, working with a broad-based advisory group, will recommend changes to how capital facility plans (CFP) are developed. Five of the likely recommendations are:

- A standardized template should be developed for CFPs. At a minimum, the document should include individual projects and project costs for each year, with anticipated funding sources indicated by type of project.
- Water/sewer districts, public utility districts (PUDs), and non-GMA counties and cities should prepare a CFP in the same format and with the same requirements as GMA jurisdictions.
- Coordinated planning should be required for potential annexation areas.
- The CFP guidebook, *Making Your Comprehensive Plan a Reality: A Capital Facilities Plan Preparation Guide*, should be updated by CTED.
- The state should provide technical assistance for local governments to respond to the recommendations of the study.

The development of a database was another key piece of the study. Future needs assessments can be based on this work and can be expanded to include other types of local government infrastructure such as criminal justice, parks, and solid waste facilities.

Further work on the development of a statewide infrastructure database will be undertaken by the Legislative Evaluation and Accountability Program (LEAP). LEAP will begin with surface transportation – the one area where there are enough similarities in reporting to enable researchers to begin using existing data.

The 1998 Legislature directed the Public Works Board to conduct the infrastructure study. After an extensive advertisement and evaluation process, Moss Adams LLP was selected to do the work with assistance from Berk & Associates Inc., Reid Middleton, Stanton-Maston Associates Inc., and Development Resources.

The scope of the study included five parts: infrastructure needs assessment; capital improvement expenditure report; infrastructure database development; capital improvement plan compilation and analysis; and infrastructure financing resource assessment. As previously noted, database development will continue into the next state fiscal biennium.

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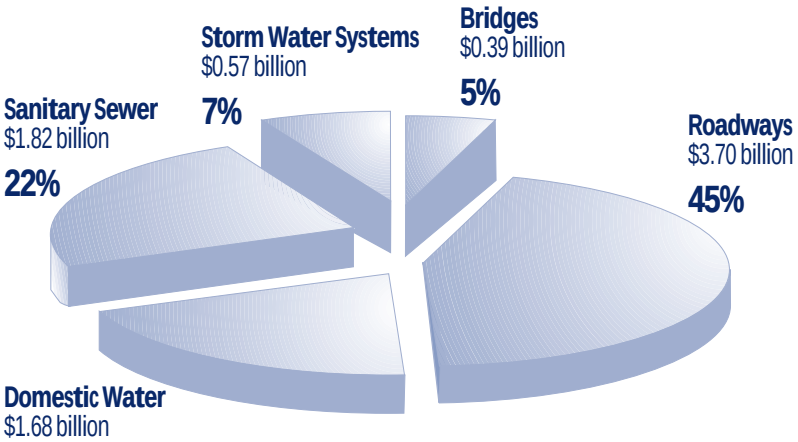
Graph statistics taken from 1998 Local Government Infrastructure Study

1998-2003 Baseline Funding Need



Total $8.16 billion in 1998 dollars

The assessment, expenditure, and CFP compilation information was collected by use of a survey instrument. Fifty local entities (counties, cities, sewer/water districts, and PUDs) were given a further in-depth look to determine how those jurisdictions actually developed the reported data.

Finally, two focus groups, one each in the eastern and western parts of the state, were used to further validate the information reported. See Level of Use – Examples (right), that shows the level of over-reliance on selected federal and state infrastructure grant and loan programs to fund local infrastructure projects.

The Advisory Committee for the study included representatives from CTED, the Office of Financial Management, LEAP, the Washington State Association of Counties, the Association of Washington Cities, the Washington Association of Realtors, the National Association of Industrial Office Properties, the Building Industry Association of Washington, the Associated General Contractors, the Association of Washington Business, Washington State Building and Construction Trades Council, 1000 Friends of Washington, and the Washington Environmental Council.

The Advisory Committee was very helpful in the development of the survey and in providing feedback to the consultant and board throughout the study.

Copies of the final report will be delivered to the Legislature in late June. Copies will be available to the public in mid-July. If you are interested in obtaining a copy, please consult your next issue of *About Growth* for directions on how to order the document.

Level of Use — Examples

Program	Available Amount ($M)	Amount Requested ($M)	Percent Over- or Under-subscribed
Community Development Block Grant	$7.95	$19.20	242
Economic Development Administration	7.46	7.46	100
Transportation Improvement Board	80.70	478.70	593
Public Works Trust Fund	76.16	145.40	191
Department of Ecology Water Quality Program			
▮ State revolving fund, water pollution control	45.00	57.35	127
▮ Federal Clean Water Action Section 319 Funds	0.73	0.92	127
▮ Referendum 26 Funds	1.04	4.44	427

GMA transforms Snohomish County capital facilities planning

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development activity, public road construction, and private financing assistance together.

For parks and surface water, the connections are being made at the subarea planning level within urban growth areas. Links are now being forged between subarea planning and county-wide capital facilities planning that will better inform both processes and will produce much higher levels of public participation in future capital plans.

Snohomish County also participates in the capital facilities planning of special purpose districts — particularly school districts and sewer and water districts.

The county retains formal review and approval authority over the water and sewer system plans of districts that serve county residents, under state law (RCW 56.08.020 for sewer and RCW 57.16.010 for water). Since the adoption of the GMA — and particularly since the adoption of the county's GMA comprehensive plan in 1995 — the county is placing increased emphasis on the thoughtful exercise of this authority. This is particularly true for sewer system plans, because sanitary sewers are expressly treated as an urban service in the county's plan and development regulations.

Photo courtesy of Snohomish County

Snohomish County has also been an active participant in school district capital facilities planning since 1993. The county recently adopted a school impact fee program with a fee schedule based on district capital facilities plans from 13 school districts approved by the county.

1999 growth management-related legislation

E2SSB 5594 – Economic vitality

A new working group comprised of CTED, Department of Revenue, Department of Agriculture, and Economic Development Council representatives is established to promote economic development and business diversification throughout the state with special attention given to the economic difficulties of rural counties. The group will analyze potential economic development projects of statewide significance and recommend appropriate administrative and legislative actions.

The preference for awarding state public facilities grants and loans related to GMA county-wide planning policies is changed. A state agency considering a request for a grant or loan for public facilities from a county or city planning under the GMA needs to consider whether the jurisdiction has adopted a comprehensive plan and implementing development regulations as required by the GMA. State agencies considering competing requests from GMA jurisdictions need to give additional preferences to the GMA jurisdictions that have adopted a comprehensive plan and development regulations.

Such additional preferences also will be given to the grant requests of special purpose districts in GMA jurisdictions.

The types of projects that the Community Economic Revitalization Board (CERB) may invest in are broadened to include telecommunications infrastructure, transportation, and pre-construction costs. The Joint Legislative Audit and Review Committee is directed to study the effectiveness of CERB.

A one-stop clearinghouse within CTED is to be established to coordinate state assistance to growers and nonprofit organizations to develop housing for agricultural employees.

The eligibility requirements are changed for distressed area sales and/or business occupation tax relief.

2E2SSB 5595 – Salmon Recovery Board

A 10-member Salmon Recovery Board is created to make grants and loans for salmon habitat projects and salmon recovery activities. A technical review team is created to assist the funding board in ranking projects and activities and developing standardized monitoring indicators and data quality guidelines in conjunction with an independent science team.

The Governor and the Governor's Salmon Recovery Office are required to develop a statewide salmon recovery strategy and submit it to the federal regulatory agencies by September 1, 1999. The strategy is to be updated through an active public involvement process beginning September 1, 2000.

The Independent Science Panel is to develop guidelines for monitoring the effectiveness of salmon habitat restoration projects and report its findings to the Governor and the Legislature.

The Department of Fish and Wildlife's salmon and steelhead inventory and assessment project and the salmon and steelhead habitat inventory and assessment project are integrated into the statewide salmon recovery framework. These databases will serve as the foundation for monitoring the results of the recovery strategy.

The Interagency Review Team established by the 1998 Legislature will continue its work until July 1, 2000.

Funding for the administration of the Salmon Recovery Board is transferred from the Governor's Office and Office of Financial Management to the Interagency Committee for Outdoor Recreation.

ESHB 2091 – Forest practices and aquatic resources

In order to provide substantial and sufficient contributions to salmon recovery efforts and water quality enhancements, this law is intended to coordinate forest practices with the newly passed Salmon Recovery Act. By using scientifically based methods and forest management practices rules consistent with the Forests and Fish Report, significant salmon habitat and water quality improvements should result.

The Forest Practices Board is authorized to adopt emergency and permanent rules to amend forest practices rules on the protection of aquatic resources, including establishment of riparian and open space buffer zones, and harvest restrictions and regulations. The board is not required to adopt rules based on the Forests and Fish Report, but if rules are different from those recommended, the board must notify the appropriate legislative committees.

A forest riparian program is created, which includes a small landowner assistance office within the Department of Natural Resources to administer the new program.

Costs associated with additional regulations imposed on landowners as a result of this act will be borne, in part, by the public through changes in timber tax programs, including a timber excise tax credit created to provide incentives for enhancement of aquatic resources within timber harvest lands.

SHB 1204 – Environmental restoration

An advisory committee to the Washington State Department of Transportation (WSDOT) is created, including a representative from CTED. The purpose of the committee is to coordinate state land acquisitions and environmental projects, identify funding sources and opportunities for improved coordination of such projects, and maintain a database on the projects.

EHB 1313 – Rural development

The Rural Development Council's executive committee and CTED are authorized to establish a private, non-profit successor organization to the council. The purpose of the organization is to improve delivery and accessibility of public and private resources for meeting the needs of rural communities in Washington.

SHB 1826 – Water masters

Ecology may appoint a water master for each watershed management area that has a plan adopted by a planning unit and counties under 1998 watershed planning legislation. The watershed plan needs to request or require the appointment and funding is to be provided.

ESHB 2239 – Storm water control grant programs

State storm water fees that were allocated but unspent due to lack of a local storm water plan can now be spent in the state Storm Water Grant Program. The program identifies cities and counties as a part of a coordinated approach to addressing storm water mitigation.

The administration of the Storm Water Grant Program and WSDOT's Fish Passage Program are to be coordinated. The law identifies the need to coordinate city and county storm water facilities that not only address improved water quality and reduced flooding, but also provide a linkage that mitigates altered stream hydrology and improves salmonid habitats.

Citizen advisory committees in the capital facilities planning process

By Thomas Richardson, Planning Director, and **Glenn Scholten**, Senior Planner, City of Cheney

Cheney is having success with the use of citizen advisory committees in planning to meet local capital facilities needs.

Committees have been set up in the past for several construction projects, including the new library, built in 1987; wastewater treatment and reclamation plant, completed in 1994; and the storm water management plan, prepared in 1998. The most recent committee was established for residential — non-arterial — streets in 1998.

As part of its GMA planning activities, the city conducted a capital facilities planning process. The process was led by a citizen advisory committee that toured facilities, reviewed existing planning documents, and interviewed city staff. The committee's recommendations were submitted to city council and adopted without change.

The highest priority need set by the committee was the city's failing street system, particularly the non-arterial streets. The pavement rating system used by the city to gauge the condition of city streets showed that the city would save a tremendous amount of money if it could resurface streets before they got so bad that the only solution would be major reconstruction.

Another committee was created to find a way to fund the program, and the committee recommended a 4 percent utility tax on electric and natural gas usage. Voters approved the tax in fall of 1998, and the first projects to be funded will be completed this summer.

In addition, the local street money was used to leverage Community Development Block Grant money to replace deteriorated water lines under the streets scheduled to be repaired.

Funding

Cheney has used four means to raise revenues for capital projects:

- The city raised connection fees for sewer and water; these revenues are set aside for capital projects such as the wastewater treatment plant. Fees for a single-family home are $1,150 for a water connection and $1,150 for a sewer connection.
- Mitigation fees under the State Environmental Policy Act have been used for parks and traffic.
- Voters approved a 4 percent tax on electric and natural gas utilities for residential street projects.
- The city council recently adopted an assessment reimbursement area ordinance, provided by RCW 35.72.050; this gives the city the means to recoup the costs of public facilities as development occurs.

The land use-capital facilities connection

The connection between land use planning and capital facilities planning is a key to the GMA.

In Cheney, the concurrency ordinance has been drafted and is under review. As the concurrency process begins to be implemented, we will see how well the connection between land use and capital facilities was made.

We expect that as development occurs the concurrency process will uncover conflicts between the two planning elements, which will be addressed in subsequent comprehensive plan amendments.

PHOTO COURTESY OF CITY OF CHENEY

From cow paths to commerce in 10 years

By Margaret Fleek
Planning Director, City of Burlington

In 1989, someone noticed that Burlington had three major freeway interchanges in the I-5 corridor and two of them ended in farmers' fields. Since that time, the city has come a long way in its capital facilities planning.

For a small city whose claim to fame for years was its potholes, the city of Burlington completed its first capital improvement plan in 1993. This was the first time the city council and its departments had ever seen the total picture of the city and the financial impact of issues coming down the road.

In the past 10 years, the city has grown through annexations from 1,849 acres to 2,460 acres, a one-third increase in size. With over half the city zoned for commercial and industrial development, 2.8 million square feet of new commercial and industrial construction has been built, along with 225 single-family homes and 500 apartments. Population, however, has only grown from 4,349 to 5,525, while the assessed value is now about $500 million.

The city has gone from having so much money it could not spend it all, to doing some serious juggling to keep up with the demands for public facilities and services.

Citizens are generally well educated on the big capital issues and tradeoffs. A precinct-based, neighborhood planning program was initiated in 1991 to provide opportunities for informal discussions.

Many an evening has been spent debating the merits of a bond issue, a new utility, or an increase in rates. A mailed monthly land use bulletin also helps to keep the public up to date.

Every major capital facilities issue also has a committee, either ad hoc for one issue such as the storm drainage utility, or on-going for issues such as parks.

There is no question that the citizens understand the link between land use development and capital facilities demands. They are not pleased with utility rates. Burlington is a middle class working community. In the 1990 census, no household earned $100,000 per year. Between the increased cost of utilities and the increases in property values, the residents feel the effects of growth directly in the wallet.

The new fire station was constructed with councilmanic bonds and cash, after the bond issue failed. All general fund departments are on limited rations until money is saved for the police station, which looks feasible for next year.

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